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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	ESCROW LICENSE NO.: 96DBO-41815
THE COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	CONSENT ORDER
Complainant,)	
v.)	
MMREM ESCROW, INC.,)	
Respondent.)	

The Complainant, the Commissioner of The Department of Business Oversight ("Commissioner"), is informed and believes and based upon such information and belief, alleges and charges as follows:

A. Respondent Mmrem Escrow, Inc. ("Mmrem Escrow") is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (Financial Code section 17000 et seq.)¹ ("Escrow Law"). Mmrem Escrow has its principal place of business located at 6101 W. Centinela Ave., Ste. 342, Culver City, California, 90230.

¹ All subsequent statutory references are to the Financial Code unless otherwise noted.

1 B. The Commissioner licenses and regulates the activities of escrow agents. Pursuant to
2 section 17406, all licensees under the Escrow Law are required to file an annual audit report
3 containing audited financial statements ("annual audit report") within 105 days after the close of
4 their fiscal year. Mmrem Escrow was licensed on October 20, 2015 and its fiscal year-end is
5 December 31st. Accordingly, Mmrem Escrow was required to file its annual audit report for the
6 fiscal year ended December 31, 2015, on or before April 15, 2016.

7 C. On or about November 18, 2015, the Commissioner sent a letter to Mmrem Escrow
8 reminding Mmrem Escrow that its annual audit report would be due April 15, 2016, 105 days after
9 the close of its fiscal year end pursuant to section 17408. The Commissioner's November 18, 2015
10 letter informed Mmrem Escrow that failure to file the annual audit report by the due date could result
11 in the suspension or revocation of its license; and the imposition of penalties calculated at \$100.00
12 per day for the first five days the report is overdue and \$500.00 per day thereafter pursuant to
13 sections 17408(b) and 17602.5.

14 D. Mmrem Escrow failed to file the audited report by the due date. On April 27, 2016,
15 the Commissioner issued a written demand ("Demand Letter") requesting that Mmrem Escrow
16 respond to the November 18, 2015 letter within 10 days from the date of the Demand Letter. The
17 Demand Letter reiterated that if Mmrem Escrow failed to file its annual audit report within the 10-
18 day deadline, the Commissioner could suspend or revoke Mmrem Escrow's license, or impose
19 penalties against Mmrem Escrow calculated at \$100.00 per day for the first 5 days the report is
20 overdue and \$500.00 per day thereafter, pursuant to Financial Code section 17408(b).

21 E. The Commissioner's staff sent an email to Mmrem Escrow's designated email
22 address on May 23, 2106, informing Mmrem Escrow that the Commissioner had not received its
23 annual audit report. On May 24, 2016, Mmrem Escrow's representative responded to the
24 Commissioner's staff's email, stating the Mmrem Escrow was still preparing the annual audit report.

25 F. On or about June 16, 2016, the Commissioner received Mmrem Escrow's annual
26 audit report— sixty-four days after the 10-day deadline specified in the Demand Letter. Mmrem
27 Escrow failed to file its annual audit report timely as required under section 17406 (a). Therefore,
28 pursuant to section 17408(b), Mmrem Escrow is subject to penalties in the amount of \$17,000.00,

1 calculated at \$100.00 per day for the first five days the report was overdue and \$500.00 per day
2 thereafter.

3 G. On or about June 28, 2016, the Commissioner informed Mmrem Escrow that it would
4 commence an administrative action and seek remedies for past violations, including an Order
5 imposing penalties for past violations (“Enforcement Action”).

6 H. Upon being informed of the Commissioner’s intent to commence the Enforcement
7 Action, Mmrem Escrow responded by indicating that it would cooperate fully with the
8 Commissioner, and agree to the issuance of this Consent Order without the need to commence filing
9 the administrative action first.

10 I. It is the intention and desire of the parties to resolve this matter without the necessity
11 of a hearing and/or other litigation.

12 J. The Commissioner finds that this action is appropriate, in the public interest, and
13 consistent with the purposes fairly intended by the policy and provisions of this law.

14 K. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
15 set forth herein, the parties agree as follows:

16 TERMS AND CONDITIONS

17 1. Purpose.

18 The purpose of this Consent Order is to resolve the Department’s Enforcement Action and
19 investigation of Mmrem Escrow’s violations of the Financial Code and other statutory provisions in
20 a manner that avoids the expense of court proceedings and a hearing, is in the public interest,
21 protects consumers, and is consistent with the purposes, policies, and provisions of the Escrow Law.

22 2. Finality of Order.

23 Mmrem Escrow hereby agrees to comply with the Consent Order and, further, stipulates that
24 this Consent Order is hereby deemed a final and enforceable order issued pursuant to the
25 Commissioner’s authority under sections 17408 and 17608.

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1 3. Waiver of Hearing Rights.

2 Mmrem Escrow acknowledges that the Commissioner is ready, willing, and able to proceed
3 with the filing of an administrative enforcement action on the charges contained in this Consent
4 Order, and Mmrem Escrow hereby waives the right to a hearing, and to any reconsideration, appeal,
5 or other right to review which may be afforded pursuant to the CRMLA, Mmrem Escrow further
6 expressly waives any requirement for the filing of an Accusation that may be afforded by
7 Government Code section 11415.60 (b); the California Administrative Procedure Act, the California
8 Code of Civil Procedure, or any other provision of law; and by waiving such rights, [licensee]
9 effectively consents to this Consent Order becoming final.

10 4. Payment of Penalties.

11 Mmrem Escrow agrees to pay to the Commissioner penalties in the amount of \$8,500.00,
12 which shall be due within 30 calendar days of the effective date of this Consent Order, as such date
13 is defined in Paragraph 20, made payable in the form of a cashier's check to the "Department of
14 Business Oversight" and mailed to the attention of:

15 Uche Enenwali, Senior Counsel,
16 Enforcement Division
17 The California Department of Business Oversight
18 320 West Fourth Street, Suite 750,
19 Los Angeles, California 90013

20 5. Declaration of Policies and Procedures

21 Mmrem Escrow has submitted to the Commissioner a declaration under the penalty of
22 perjury (Declaration) from an officer with personal knowledge of Mmrem Escrow's policies and
23 procedures that sets forth all policies and procedures that have been implemented as of the date of
24 this order by Mmrem Escrow to ensure compliance with Financial Code section 17406. The
25 Commissioner has reviewed the Declaration and deemed the policies and procedures contained
26 therein as satisfactory. Mmrem Escrow agrees to continue implementing those policies and
27 procedures in the future.

28 6. Effect of Consent Order on License

 In consideration of Mmrem Escrow's agreement to the entry of this Consent Order, and to
pay penalties required by Paragraph 4 hereof, the Commissioner hereby agrees that except as set

1 forth in this Consent Order, she shall not take any further action based on violation of the code
2 provisions cited in this order for the period of April 15, 2016 through the date of execution of this
3 Consent Order, as such date is defined in Paragraph 20. Accordingly, this Consent Order does not
4 affect the licensing status of Mmrem Escrow.

5 7. Suspension of License for Failure to Comply with Order

6 Mmrem Escrow agrees that if it fails to comply with the terms of this Consent Order,
7 Mmrem Escrow shall be immediately suspended from lending and servicing under its license until
8 the terms are met. Mmrem Escrow hereby waives any notice and hearing rights to contest the
9 immediate suspension. Mmrem Escrow hereby waives any notice and hearing rights to contest the
10 immediate suspension of its escrow agent license resulting from failure to comply with Paragraph 4
11 above that may be afforded under the California Financial Code, the California Administrative
12 Procedure Act, the California Code of Civil Procedure, or any other legal provisions.

13 8. Full and Final Settlement.

14 The parties hereby acknowledge and agree that this Consent Order is intended to constitute a
15 full, final, and complete resolution of the Enforcement Action and the Department's investigation of
16 Mmrem Escrow and for violations discovered during its examination and that no further proceedings
17 or actions will be brought by the Commissioner in connection with these matters either under the
18 Escrow Law, or any other provision of law, excepting therefrom any proceeding to enforce
19 compliance with the terms of this Consent Order, or action if such proceeding or action is based
20 upon discovery of new and further violations of the Escrow Law which do not form the basis for this
21 Consent Order or which were knowingly concealed from the Commissioner by Mmrem Escrow.

22 9. Binding.

23 This Consent Order is binding on all heirs, assigns, and/or successors in interest.

24 10. Commissioner's Duties.

25 The parties further acknowledge and agree that nothing contained in this Consent Order shall
26 operate to limit the Commissioner's ability to assist any other agency (city, county, state or federal)
27 with any prosecution, administrative, civil or criminal, brought by any such agency against Mmrem
28 Escrow or any other person based upon any of the activities alleged in these matters or otherwise.

1 11. Third Party Actions.

2 It is the intent and understanding between the parties that this Consent Order does not create
3 any private rights or remedies against Mmrem Escrow, create any liability for Mmrem Escrow or
4 limit defenses of Mmrem Escrow for any person or entity not a party to this Consent Order.

5 12. Future Actions by Commissioner.

6 This Consent Order may be revoked and the Commissioner may pursue any and all remedies
7 available under law against Mmrem Escrow if the Commissioner later discovers that Mmrem
8 Escrow knowingly or willfully withheld information used for and relied upon in this Consent Order.
9 Further, Mmrem Escrow agrees that this Consent Order does not resolve any penalties that may be
10 assessed by the Commissioner upon discovery of new and further violations of the Escrow Law.

11 13. Independent Legal Advice.

12 Each of the parties represents, warrants, and agrees that it has received independent advice
13 from its attorney(s) and/or representatives with respect to the advisability of executing this Consent
14 Order.

15 14. Counterparts.

16 The parties agree that this Consent Order may be executed in one or more separate
17 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
18 together constitute and be one and the same instrument.

19 15. Waiver, Modification, and Qualified Integration.

20 The waiver of any provision of this Consent Order shall not operate to waive any other
21 provision set forth herein. No waiver, amendment, or modification of this Consent Order shall be
22 valid or binding to any extent unless it is in writing and signed by all of the parties affected by it.

23 16. Headings and Governing Law.

24 The headings to the paragraphs of this Consent Order are inserted for convenience only and
25 will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.
26 This Consent Order shall be construed and enforced in accordance with and governed by California
27 law.
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1 17. Full Integration.

2 Each of the parties represents, warrants, and agrees that in executing this Consent Order it
3 has relied solely on the statements set forth herein and the advice of its own counsel. Each of the
4 parties further represents, warrants, and agrees that in executing this Consent Order it has placed no
5 reliance on any statement, representation, or promise of any other party, or any other person or entity
6 not expressly set forth herein, or upon the failure of any party or any other person or entity to make
7 any statement, representation or disclosure of anything whatsoever. The parties have included this
8 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
9 Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement,
10 or contradict the terms of this Consent Order.

11 18. Presumption from Drafting.

12 In that the parties have had the opportunity to draft, review and edit the language of this
13 Consent Order, no presumption for or against any party arising out of drafting all or any part of this
14 Consent Order will be applied in any action relating to, connected to, or involving this Consent
15 Order. Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or
16 amended statute, providing that in cases of uncertainty, language of a contract should be interpreted
17 most strongly against the party who caused the uncertainty to exist.

18 19. Voluntary Agreement.

19 Mmrem Escrow enters into this Consent Order voluntarily and without coercion and
20 acknowledges that no promises, threats or assurances have been made by the Commissioner or any
21 officer, or agent thereof, about this Consent Order.

22 20. Effective Date.

23 This Consent Order shall not become effective until signed by all parties and delivered by the
24 Commissioner's counsel by email to Mmrem Escrow's representative at
25 Christine.johnson@chronossolutions.com.

26 21. Public Record.

27 Respondent acknowledges that this Consent Order is a public record.
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22. Authority to Execute.

Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order.

Dated: July 27, 2016

____ JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: July 25, 2016

____ MMREM ESCROW, Inc.

By _____
Matt Martin, Chief Executive Officer

Approved as to form

Jodee E. McGrath
Vice President/General Counsel

Uche Enenwali
Senior Counsel
Enforcement Division